

Certified Wood

by William P. Bomersheim, Agricultural Marketing Specialist

Definition

The objective of certification is the improvement and documentation of forest management practices. It can be an important market-based tool to encourage and create incentives for sustainable forest management. It is usually associated with eco-labeling and chain of custody certification. In theory, informed consumers will demand products which come from well managed forests if they are able to distinguish them from wood products originating from poorly managed forests. Certification allows consumers to make this distinction.

Where is the Demand?

The global market for certified forest products has remained small. Although trade statistics do not distinguish between certified and non-certified wood, most analysts agree that certified wood products represent only a tiny fraction of wood products in the market.

Nonetheless, in certain segments of the wood industry, especially in more developed countries where environmental awareness is significant, certified wood is sought after. However, instead of consumers demanding certified products, retailers in a few key countries have become the drivers of demand. Some retailers in Northern Europe have begun cooperating to form buyers' groups with a commitment to buy certified forest products whenever possible. For example, the most established buyers' group, the 1995+ Group in the United Kingdom has over 85 members. In addition, some public entities have banned or restricted tropical wood and have developed written preferences for certified forest products.

These measures, although not taken by government entities, are criticized by many as non-tariff barriers to trade.

Retailers who have made commitments to buy certified products are driven by a variety of factors including a perceived competitive advantage, and a desire to do the right thing. However, risk aversion may be the strongest motivating factor. Faced with the prospect of environmental groups picketing and creating negative publicity, many retail chains have committed to buy certified wood products.

Adequate Supply?

Having made commitments to purchase certified wood products, however, many retailers have been frustrated with the lack of available certified wood. For example, the environmental co-ordinator for B&Q, a large Do It Yourself (DIY) chain in the United Kingdom, recently complained that it is having difficulty finding adequate supplies of FSC-certified wood. As a result, B&Q has now decided to accept wood certified by Norway's Living Forests Scheme, as well as the FSC Finnish Forest Certification Council. Other retailers have also been forced to broaden their approach, choosing to recognize any credible certification scheme in order to meet stated commitments.

Competing Certification Schemes

Despite the relatively small amount of certified wood currently on the market, certification has become a politically charged issue with strong support from environmental organizations, retailers, and some forest owners, and outright rejection by others. The ability to set up viable certification systems varies widely, as the relative cost of certification can be much higher for small forest owners. However, to avoid the imposition of certification

requirements which would be unacceptable, forest product producers have responded by creating their own certification and certification-like mechanisms. Today several certification schemes are competing for support and recognition.

The Forest Stewardship Council (FSC) certification, is the best known certification scheme, and has strong support from environmental groups. Created in 1993, FSC has been a driving force behind the debate and has been the most aggressive in marketing itself. Today, more than 19 million hectares of forestland are FSC-certified globally. However, nearly half of FSC-certified forestland is in Sweden.

In response to various industry complaints about the specifics of FSC, and in order to respond to varying regional needs, national and regional certification mechanisms have also evolved. The best known of these is the Pan European Forest Certification (PEFC) scheme. The PEFC is different from FSC in that it relies largely on recognition of national certification schemes in Europe and has stronger support from European industry. With more than 23.5 million hectares of forestland under PEFC, PEFC has become the most recognized competitor to FSC in Europe.

In the United States, the Sustainable Forestry Initiative Program (SFI) has been created by the American Forest and Paper Association to further sustainable forest management. SFI, like PEFC, gets its strongest support from the forest products industry. There are 157 member companies and licensees representing 84 percent of paper production, 50 percent of solid wood production, and 90 percent of industrial timberland in the United States. The SFI program encompasses 72 million acres (29

million hectares), 56 million (23 million hectares) of which are third party certified. An additional 25 million acres (10 million hectares) are certified under the American Tree Farm System which has a mutual recognition agreement with SFI.

Today there are more than 25 national and international forest certification schemes at various stages of development. This has led some supporters of FSC to argue that there should be only one certification scheme (FSC) and that many of the industry promoted mechanisms are merely confusing the public by labeling the status quo. The Confederation of European Paper Industries has created a matrix to compare each of the different certification schemes, but this is only the beginning of the debate.

In addition, the International Forest Industry Roundtable (IFIR), a global network of national industry associations, has proposed development of an international mutual recognition framework that will serve to link different sustainable forest management (SFM) standards and certification systems. The IFIR envisions development of a set of principles for credible SFM standards, a methodology to assess equivalence of different systems, and guidelines describing how such a mutual recognition agreement framework could be administered. The eventual goal would be to develop a single SFM trademark encompassing all credible approaches involved in the framework.

To learn more about certification visit the United Nations Economic Commission for Europe Timber Committee www.unece.org, the International Tropical Timber Organization www.itto.or.jp, the Forest Stewardship Council www.fsc.org, the Pan European Forest Certification www.pefc.org, the American Forest & Paper

Association www.afandpa.org, or the
Confederation of European Paper Industries
www.cepi.org/htdocs/press/index.htm.